STATEMENT OF PURPOSE

RS22697

This legislation provides for new technological methods to be used for the detection and abatement of fraud. The legislation requires the Department of Health and Welfare use screening, audits, new coding terminology, recovery audit contractors, mathematical and statistical tools, and establish a reward program, if warranted. The legislation requires the Department employ data system enhancements, retain the maximum amount of loss recovery, and use data collection techniques for cost-effective fraud detection, including analytics, data modeling, or statistical profiling to detect program fraud or overpayment. This legislation further provides for use of federal funding, if available, and requires the annual reporting of fraud prevention activities for all public assistance programs to the germane Legislative Committees.

FISCAL NOTE

This legislation will require some operational changes and software upgrades, but it will likely obtain partial cost sharing from the federal government contribution and should result in lower fraud and slightly higher fraud recovery. The Department felt the fiscal impact of this legislation will be revenue neutral.

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Statement of Purpose / Fiscal Note   **H0439**